

CALIFORNIA ENERGY COMMISSION

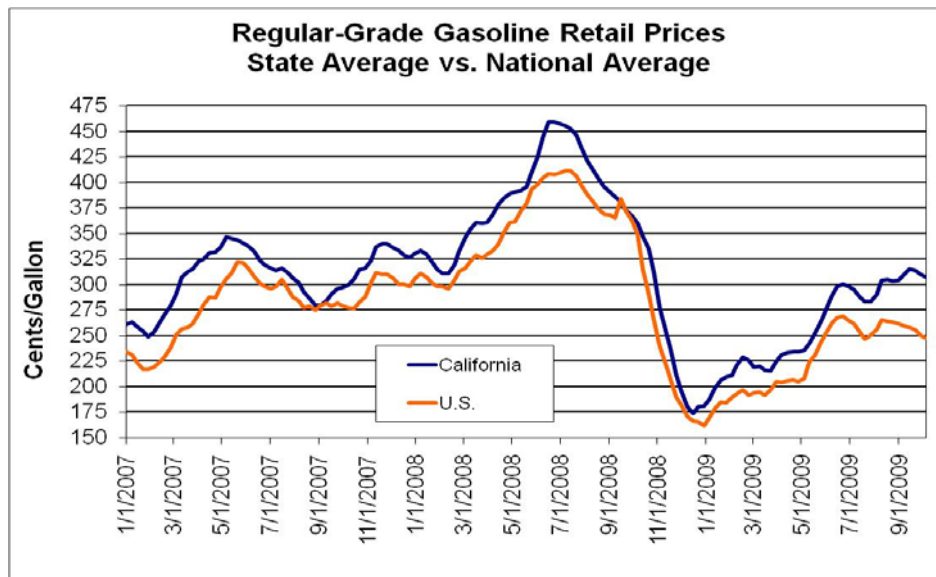
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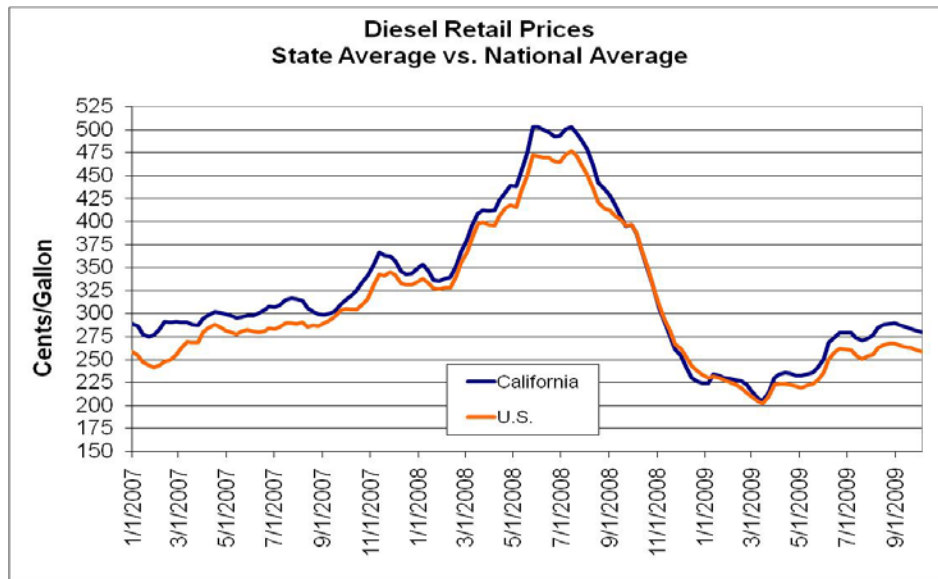
Main website: www.energy.ca.gov
Children's website: www.energyquest.ca.gov
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****October 8, 2009*****Retail Gasoline and Diesel Prices on October 5***

- The average California **retail price for regular-grade gasoline** decreased 3 cents from last week to \$3.07 per gallon. California prices are \$1.52 below their peak of \$4.59 on June 16, 2008, but 3 cents higher than a month ago.ⁱ
- The difference between California and U.S. retail gasoline prices increased 18 cents from a month ago to 60 cents per gallon, the highest level this decade, due to increased overall U.S. production coupled with California refinery outages. U.S. gasoline prices decreased 14 cents since last month to \$2.47 and are \$1.02 less than this time last year.

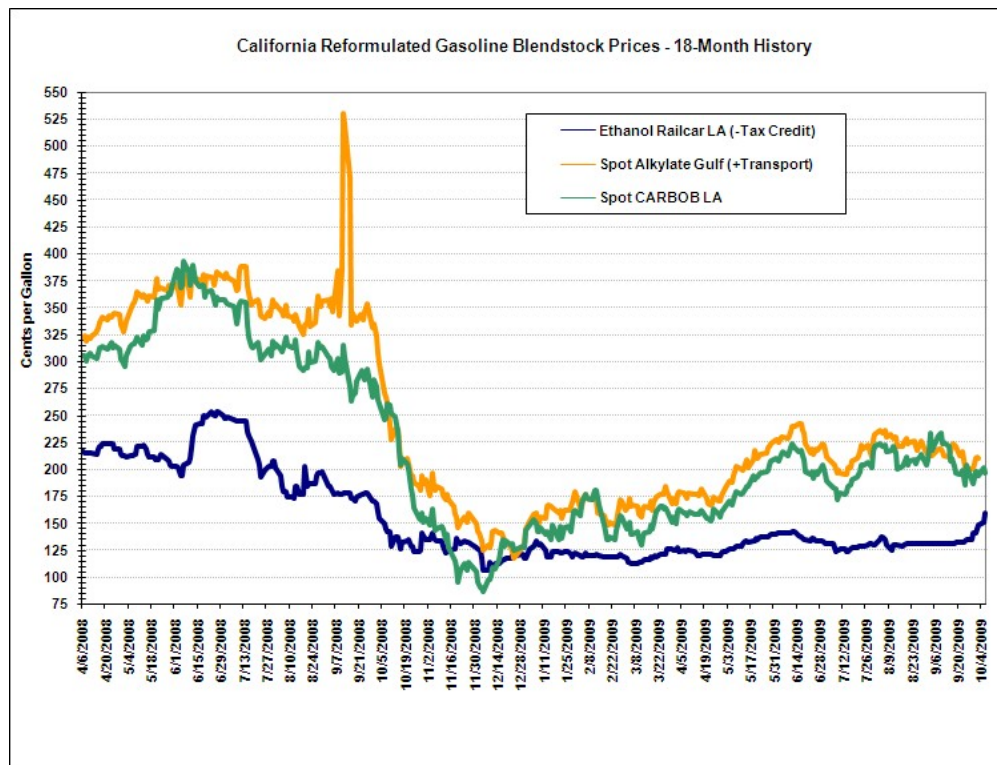


- The average California **retail diesel price** decreased 10 cents since last month to \$2.79 per gallon. The U.S. retail diesel price fell 9 cents from a month ago to \$2.58 per gallon.



Wholesale Gasoline, Diesel, and Blendstock Prices on October 7

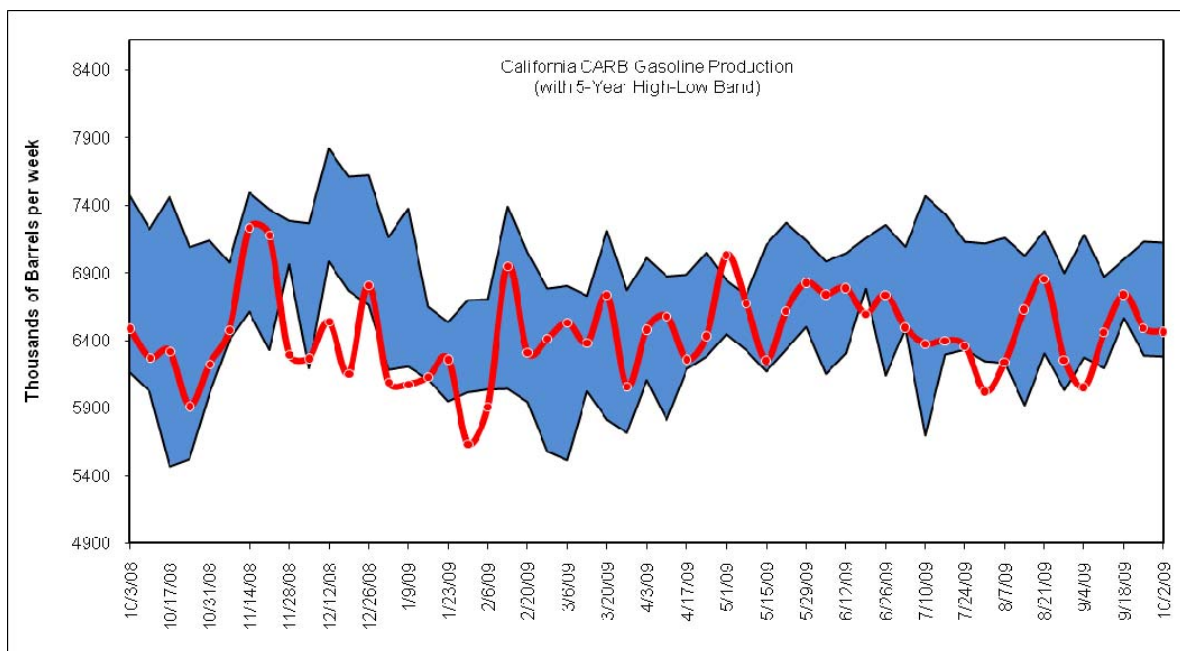
- Wholesale gasoline prices in California have fallen slightly despite unplanned refinery outages. Falling U.S. prices and weak demand averted price increases in the state.
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) rose to \$2.31 on September 10 and have since fallen to \$1.96, 6 cents per gallon less than a month ago and 46 cents less than the same time last year.
- Spot prices for RBOB in Los Angeles are 19 cents per gallon more than New York Harbor and 21 cents more than the Gulf Coast.
- California spot **wholesale ultra-low-sulfur diesel prices** have risen to \$1.81, 1 cent more than last month but 65 cents less than the same time last year.
- California wholesale ultra-low-sulfur diesel prices are 1 cent more than the Gulf Coast and 1 cent less than New York Harbor.
- California **spot wholesale prices for fuel ethanol** rose 28 cents from last month to \$1.60 per gallon.ⁱⁱ



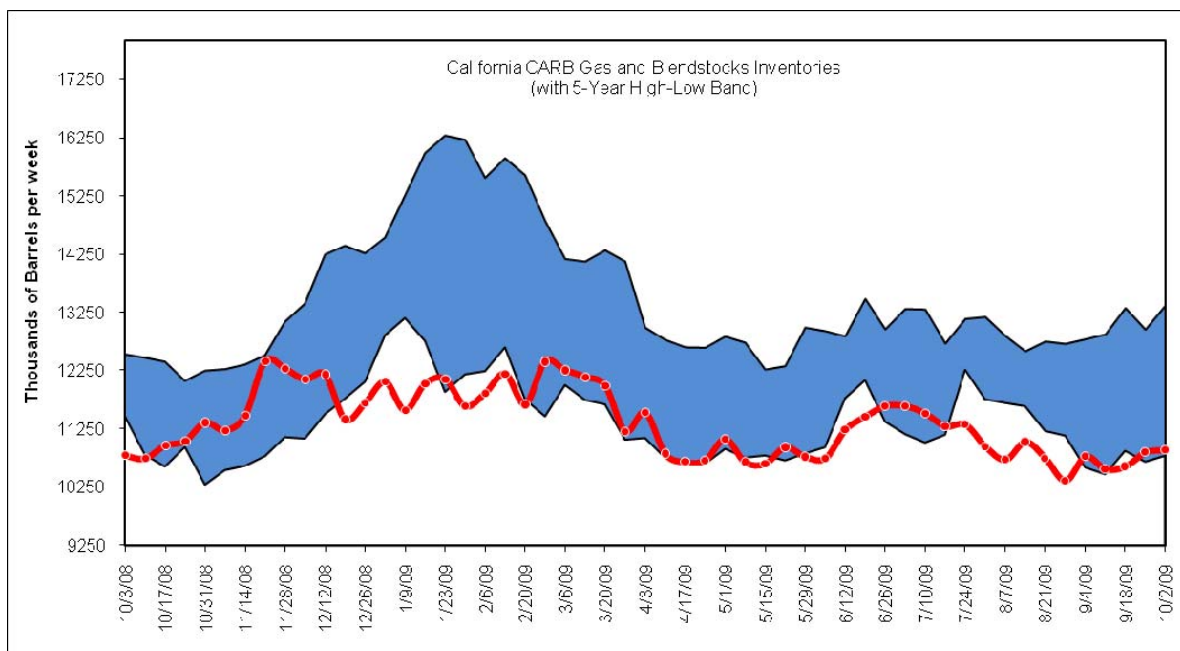
- The Energy Information Administration's (EIA) weekly report for the week ending October 2 shows that **U.S. gasoline demand** increased 1.6 percent, and distillate demand increased 3.5 percent from the previous week. The four-week average demand for gasoline is 9 million barrels per day, 3.2 percent more than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.4 million barrels per day, 11 percent less than the same period last year.

Refinery Production and Inventories

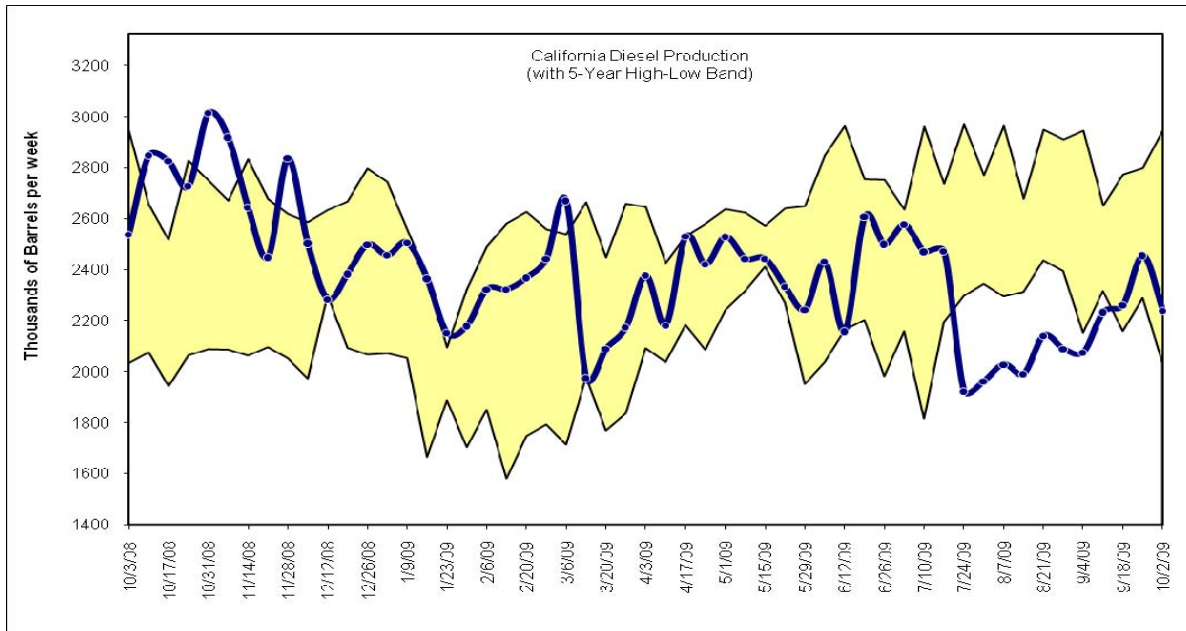
- Reformulated gasoline production** in California for the week ending October 2 decreased 0.4 percent from the previous week to 6.5 million barrels, remaining within the five-year range and 0.4 percent lower than one year ago.ⁱⁱⁱ



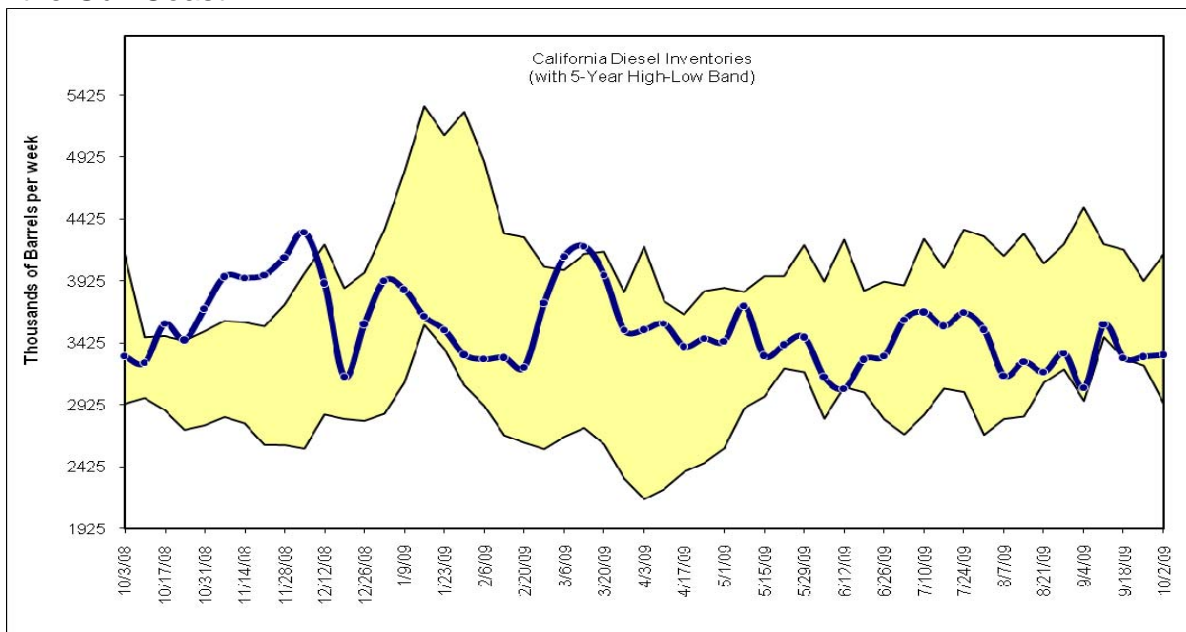
- California reformulated gasoline inventories** decreased by 3.9 percent from last week while gasoline blendstock inventories increased 3.8 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state increased by 0.4 percent to 10.9 million barrels, remaining near the bottom of the five-year range.



- U.S. gasoline inventories as of October 2 increased to 214.4 million barrels, 2.9 million barrels more than the previous week. Inventories decreased on the Gulf Coast and increased on the East and West Coasts.
- California **ultra-low-sulfur diesel fuel production**, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, decreased to 2.2 million barrels during the week ending on October 2, 8.3 percent less than the previous week and remaining near the bottom of the five-year range.

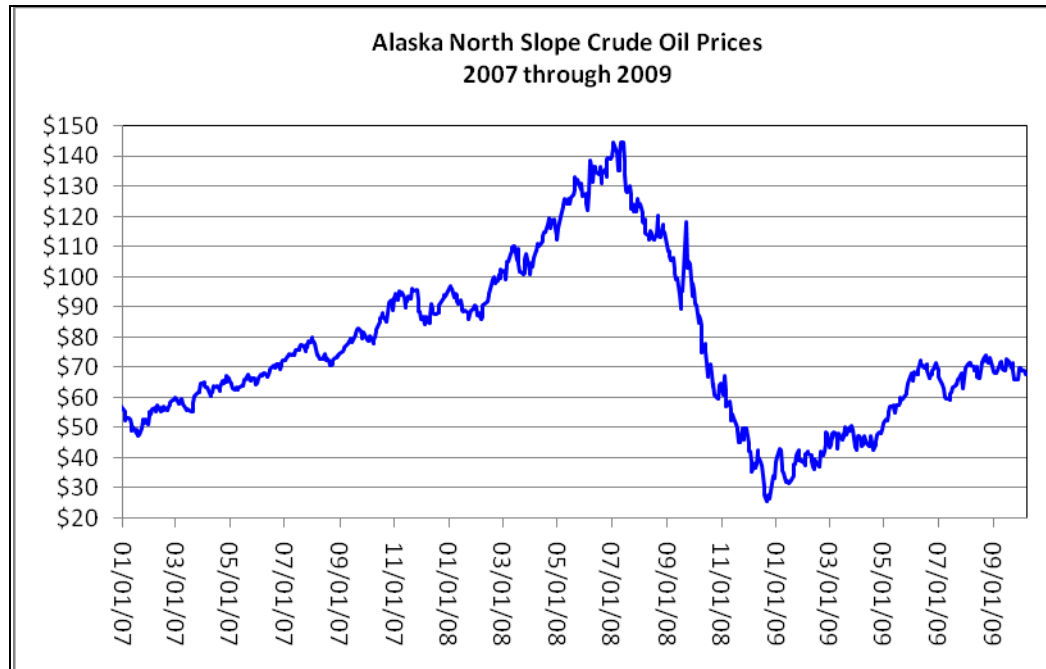


- Combined ultra-low-sulfur diesel inventories** in California increased 1.6 percent from the previous week to 3.1 million barrels and remains within the five-year range. Total U.S. distillate inventories as of October 2 rose to 171.8 million barrels, 679,000 barrels more than the previous week. Inventories increased on the East and West Coasts and decreased on the Gulf Coast.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, reached a record high of \$144.59 per barrel on July 3, 2008, but then plunged to \$25.81 on December 22. More recently, prices reached a 2009 high of \$74.22 per barrel on August 24, 2009, but have since decreased slightly to \$67.87 on October 7, 2009, 51 cents lower than last month and \$19.34 lower than a year ago.^{iv} OPEC production increases resulting from reduced compliance with OPEC quotas have put downward pressure on prices while a weaker dollar, hopes of an economic recovery fueled by a better than expected initial unemployment claims report, and tensions between the United States and Iran have put upward pressure on prices.



- U.S. commercial crude oil inventories as of October 2 fell by 978,000 barrels from the previous week to 337.4 million barrels. Crude oil stocks are 34.8 million barrels more than this time last year and 31 million barrels more than the five-year average for this date. California crude oil stocks rose 0.6 percent from the previous week to 16.1 million barrels and are 23.8 percent more than last year.

ⁱ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

ⁱⁱⁱ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

^{iv} ANS crude oil prices are from *The Wall Street Journal*.